

Message Text

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PAGE 01 RABAT 00557 121027Z

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ACTION EB-11

INFO OCT-01 AF-10 EUR-25 NEA-11 ISO-00 ARA-16 AEC-11

AID-20 CEA-02 CIAE-00 CIEP-02 COME-00 DODE-00 FEA-02

FPC-01 H-03 INR-10 INT-08 L-03 NSAE-00 NSC-10 OMB-01

PM-07 RSC-01 SAM-01 SCI-06 SPC-03 SS-20 STR-08

TRSE-00 PA-04 PRS-01 USIA-15 DRC-01 AGR-20 /234 W

----- 000810

R 111620Z FEB 74

FM AMEMBASSY RABAT

TO SECSTATE WASHDC 1107

INFO AMEMBASSY MOSCOW

AMEMBASSY JIDDA

USINT ALGIERS

AMCONSUL CASABLANCA UNN

AMCONSUL TANGIER UNN

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E.O. 11652: N/A

TAGS: ENRG MO

SUBJECT: ENERGY: MOROCCO INSURES OIL SUPPLIES FOR 1974

1. EMBASSY HAS LEARNED FROM SEVERAL SOURCES THAT MOROCCO WILL COVER 1974 PETROLEUM NEEDS BY AGREEMENTS WITH USSR, IRAQ, IRAN, SAUDI ARABIA, AND KUWAIT. AGREEMENT WITH FIRST TWO SUPPLIERS REACHED BY MINITER COMMERCE/INDUSTRY ABDELKADER BENSLIMANE DURING TRIP TO BAGHDAD AND MOSCOW IN LATE JANUARY. BENSLIMANE DEPARTED MOROCCO AGAIN FEBRUARY 10 FOR RIYAD, PRESUMABLY TO CONCLUDE OIL CONTRACTS THERE.

2. SOVIET COMMITMENT REPORTEDLY REDUCED SOMEWHAT THIS YEAR FROM ESTIMATED ONE MILLION TONS DELIVERED IN 1973.

ONE OFFICIAL SOURCE HAS TOLD US THAT SOVIETS SET 1974 OIL PRICE FOR MOROCCO BELOW WORLD PRICE IN EXCHANGE FOR

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PAGE 02 RABAT 00557 121027Z

GOM CONCESSIONS ON CITRUS PRICES. OTHER SOURCES HAVE BEEN NON-COMMITTAL ON THIS POINT, HOWEVER, INDICATING

ONLY THAT MOROCCANS NOW PLANNING PAY ALL SUPPLIERS AVERAGE
OF FROM US \$13-\$16 A BARREL, DEPENDING ON QUALITY.

3. LATTER FIGURE MEANS PROBABLE MOROCCAN OIL IMPORT BILL
THIS YEAR OF ABOUT ONE BILLION DIRHAMS. MOROCCO SHOULD
BE ABLE TO PAY THIS

WITHOUT SERIOUS DAMAGE TO B/P, THANKS TO ANTICIPATED
DH 2.2 BILLION INCREASE IN PHOSPHATE EARNINGS THIS YEAR.

4. GOM CHOICE OF SUPPLIERS THIS YEAR PROBABLY MOTIVATED
BY LONG-TERM SUPPLY AS WELL AS PRICE CONSIDERATIONS.
MOROCCO HAS IN PAST RELIED ON BARTER WITH USSR AND ALGERIA
FOR ITS OIL, BUT THESE ARRANGEMENTS APPEAR TO BE ENDING.
IN CASE OF USSR, WE UNDERSTAND RUSSIANS WILL PROBABLY
EXPORT LESS AND LESS CRUDE OUTSIDE EASTERN EUROPE IN FUTURE.

5. AS FOR ALGERIA, IT APPARENTLY ELIMINATED AS SUPPLIER
FOR PRESENT. THIS WILL MEAN SHARP DETERIORATION, AT LEAST
FOR TIME BEING, IN ALREADY MODEST LEVEL MOROCCAN-ALGERIAN
TRADE. DEVELOPMENT APPARENTLY DUE ERRATIC ALGERIAN
DELIVERIES IN 1973 WHICH CAUSED SERIOUS SUPPLY PROBLEMS
HERE LATE IN THE YEAR. GOA ALSO APPEARS TO HAVE BEEN
UNFORGIVING TO ITS NEIGHBOR ON PRICE. WE HAVE HEARD
IN FACT THAT MOROCCANS HAD TO PAY US \$10 MILLION SUPPLE-
MENTAL IN LATE 1973 TO OBTAIN ALGERIAN CRUDE DELIVERIES
CONTRACTED FOR EARLIER.

6. WOULD APPRECIATE ANY COMMENT INFO ADDRESSEES MAY HAVE
ON FOREGOING.
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Message Attributes

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